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Senate Republican Caucus Chair

Committees: Financial Institutions, Housing and Insurance; Health and Long-Term Care;
Ways and Means; Rules

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Dear Friends,

This is my third and final e-mail to follow up with you on the 2009 session. Now that I've shared with you what happened this session on the budgets and issues related to the 12th District, I wanted to also share what happened regarding **some of the other big issues this year**. Although the budget received much of the attention in the media, the Legislature tackled other topics that will have a big impact on our district and our state. Many of those key issues are summarized in this e-mail. If you are interested in a bill or bills not listed here, please contact my office at (360) 786-7622 or (509) 663-9702 and we will be happy to let you know how the legislation you're interested in fared in the Legislature this year.

Issues related to the environment

- **Cap and trade.** [Senate Bill 5735](#), also known as the "cap and trade" bill, would have imposed carbon emission limits on many of Washington's largest employers. Companies that couldn't meet the new requirements would have been required to buy credits to offset their excess emissions. Opponents of this plan said it would increase the cost of electricity, natural gas, gasoline, diesel fuel and related products. I received many e-mails on this topic, and depending on how people looked at the issue, the description of the bill seemed to change, with some calling it "cap and tax" and others "cap and invest." After being amended several times the bill was watered down to a study, and in the end the bill itself did not pass.
- **Insurance based on miles driven.** [Senate Bill 5708](#) would have allowed insurance companies to charge for auto insurance based on the number of miles you drive. Determining mileage may have involved installing a tracking device in cars and trucks to verify miles driven. There was concern over this bill for privacy reasons and the fact that it could be more expensive for Eastern Washington residents who often must travel farther for goods and services. The bill did not pass but could be back again next year.
- **Greenhouse gas emissions.** [Engrossed Second Substitute Senate Bill 5560](#), which did pass the Legislature this year, directs all state agencies to plan and undertake actions to achieve specified statewide limits on greenhouse gas emissions. The measure is estimated to cost \$290,000 over the next two years.

- **Hydropower.** [Engrossed Substitute Senate Bill 5840](#) as originally proposed would have recognized hydropower as a renewable resource under Initiative 937, a measure passed by voters in 2006. As a co-sponsor of SB 5840, a bill that began with bipartisan support, I had high hopes that hydropower would be recognized as renewable and this bill would be the vehicle for making that happen. In the end the bill changed before its passage to increase the required portion of renewable power while only slightly expanding the list of renewable energy sources, and the bill ultimately died.

Bills related to unemployment insurance

- **Increasing unemployment benefits.** [House Bill 1906](#), which passed the Legislature and has already been signed into law, provides for a temporary increase in unemployment benefits by adding \$45 to the weekly benefit amount, making the minimum weekly benefit \$155. The increase takes effect this month and will remain in place until Jan. 3, 2010. The measure also expands eligibility for training benefits to low-wage workers, military personnel and National Guard members and the disabled.
- **Conforming with federal law.** The Legislature also passed, in literally the last moments of the session, [Substitute Senate Bill 5963](#). This measure will bring Washington's unemployment insurance laws into conformity with federal law and protect \$300 million in federal tax credits that would have been lost without the bill. The House added several amendments to the bill that would have resulted in higher costs for employers, but the Senate did not concur with the amendments and the bill passed in its original form. The governor is scheduled to sign this bill into law on Thursday, May 14.

Other employer/job bills

In addition to unemployment insurance there were a number of other bills this year related to employers.

- **Retrospective rating programs.** The "retro" program, as it is known, allows small businesses to work together to increase safety and reduce workers' compensation costs. Trade associations recoup money in exchange for safety improvements among their member businesses – which all voluntarily join the trade association. [Engrossed Substitute Senate Bill 6035](#) would restrict the use of that recouped money, require a plan for its use and require prior approval from member businesses for any other use. This measure passed the Senate by a narrow margin of 25 yes votes and 24 no votes but died in the House.
- **Restricting employer/employee communications.** Under [Senate Bill 5446](#) an employer would not be able to communicate with his/her employees about matters related to politics, religion or labor. "Political matters" was defined broadly to include even charity drives or community events. The bill did not pass, but is being pushed in other states so it could be back again next year.
- **Paid family leave.** In 2007 the Legislature passed a bill that established a framework for a paid family leave program in Washington. The program was to begin in October 2009, but the computer program hasn't been created yet and the Legislature has not determined how to pay for the benefit. [Engrossed Senate Bill 6158](#) delays the implementation of the family leave program for three years. The Senate amended the bill to ensure the program's funding, when it is decided, does not come from the workers' compensation

fund, which would amount to a tax hike on employers. The bill has been delivered to the governor.

Health care

- **Increased access to affordable health care coverage.** In 2006 I participated in Gov. Gregoire's Blue Ribbon Commission on Health Care Costs and Access, a group tasked with finding ways to make health care more affordable and accessible in our state. One of the things we learned was that young adults between 19 and 34 years old make up 51 percent of our state's uninsured. As a result I introduced bills over the following two legislative sessions to help young people access affordable coverage. The bills did not pass, so this year I sponsored another bill, [Senate Bill 5052](#), to accomplish the same goal.

Last year the Legislature hired Mathematica Policy Research at a cost of \$775,556 to study five health care reform ideas, including my proposal to give insurance companies flexibility in product design for young adults. The study, released in January, found that my proposal was the only one among the five that would provide insurance access to nearly 60,000 more people at no cost to the state. Despite these findings, the health care committee chair refused to allow SB 5052 to be voted out of the committee. It makes no sense to me to pay more than three-quarters of a million dollars for a study and then ignore the results. This is an idea I will continue to pursue.

- **Health care reform.** Under [Second Substitute Senate Bill 5945](#), which passed the Legislature this year and is with the governor for her consideration, the governor must convene quarterly meetings with the Washington Health Partnership Advisory Group to monitor: health reform; efforts to consolidate state purchasing of health care; private health insurance market reforms; and health care reform at the federal level. The Department of Social and Health Services must apply for a federal waiver to expand medical assistance to certain people, and the department must request that the federal government modify the current family planning waiver, provide coverage for sexually transmitted disease testing and treatment, return to the eligibility standards used in 2005, and, within available funds, increase eligibility to 250 percent of the federal poverty level to coordinate with the income eligibility for maternity care services.
- **Wellness programs.** This year I co-sponsored [Senate Bill 6019](#), a measure that provides incentives to small businesses to develop outcome-driven wellness programs. Under the measure, health insurance carriers may allow a wellness discount of up to 20 percent for small employers that develop and implement a program that is shown to directly improve employee wellness. The bill passed the Legislature unanimously and Gov. Gregoire signed it; it goes into effect July 26.

Major K-12 and higher education measures

- **High school math requirements.** [House Bill 1562](#), passed this year and in effect as of March 30, will affect students who don't pass the high school math WASL.

Background: Starting with the class of 2008, high school students were required to pass the WASL or an approved alternative assessment in reading, writing and math to receive a Certificate of Academic Achievement (CAA). Special-education students not taking the WASL could earn a Certificate of Individual Achievement (CIA). The CAA or CIA were to be required for high school graduation starting with the class of 2008, but in 2007 the

Legislature enacted a temporary exception for students who didn't meet the state standards in math. Through the graduating class of 2012, students would be allowed to graduate from high school without a CAA or CIA if they had not passed the math WASL (or an approved alternative) as long as they had met the state standard in other areas, met all other state and local graduation requirements, continued to take the math WASL each year, and earned two additional high school math credits or a career and technical course equivalent after their sophomore year.

This session: Under HB 1562, students graduating through the class of 2012 are no longer required to continue taking the math WASL each year until graduation. They are still required to take two math credits after their sophomore year (one credit after their junior year for the class of 2008), but these credits are no longer required to be "additional" credits.

- **Redefining basic education.** This year the Legislature passed [Engrossed Substitute House Bill 2261](#) which redefines basic education. Under the bill, basic education will now include increased instructional hours; opportunity to complete 24 credits for high school graduation; transportation to and from school; all-day kindergarten for highest-poverty schools; programs for highly capable learners, and the intent to provide early learning for at-risk children. The program must be fully implemented by 2018. The State Board of Education must set up a system to identify schools for recognition and additional support, and the Professional Educator Standards Board must adopt performance standards for effective teaching and recommend modifications for educator certification. The bill also creates a Quality Education Council to recommend and inform the ongoing implementation of an evolving program of basic education and financing, and a K-12 Data Governance Group to assist in the design and implementation of a data system for financial, student and educator data. It also creates education working groups on issues related to finance, supplemental funding, compensation and early learning. The primary concern over this bill was committing the state to funding these items (estimates run to \$10 billion) without a long-term identified funding source.
- **Increased tuition at colleges.** Under the 2009-11 operating budget, our state universities and The Evergreen State College are authorized to increase tuition and fees by 28 percent over the next two years; our community and technical colleges are authorized to increase tuition and fees by 14 percent over two years. This policy was implemented through [Engrossed Substitute House Bill 2344](#).

Domestic partnerships

This year the Legislature passed [Senate Bill 5688](#), expanding domestic partnerships to give same-sex couples virtually all the rights of marriage. Although there was also a bill to actually implement gay marriage in Washington, that bill did not make it out of committee. Implementation of SB 5688 has been put on hold because there has been a referendum filed to repeal it.

Tax bills

There were several tax proposals put forward this year. These bills did not pass but did receive quite a bit of attention in the media.

- **Income tax.** [Senate Bill 5104](#) would have imposed a state income tax on “all taxable income of resident individuals, estates, and trusts on all individuals, estates, and trusts deriving income from sources in Washington for each taxable year.”
- **High incomes tax.** [Senate Bill 6147](#) would have imposed a 1 percent income tax on income above \$500,000 for individuals and income for married couples above \$1 million.
- **Sales tax increase.** [House Bill 2377](#) would have increased the state sales and use taxes by 0.3 percent from Jan. 1, 2010 through Dec. 21, 2012 with the funds going toward health care. The measure would have been referred to voters. The bill did receive a hearing, but did not come before the full House or Senate for a vote.

Natural resource agency issues

The three largest natural resource agencies, the Department of Natural Resources, the Department of Fish and Wildlife, and Washington State Parks and Recreation, took a larger percentage of budget reductions than many other agencies. There were several bills this year related to those funding changes and other issues at these natural resource agencies.

- **State parks.** I told you last week about [Substitute House Bill 2339](#), a measure that changes the \$5 parks donation on vehicle registrations from an “opt in” system to an “opt out.” The measure passed and is expected to raise enough revenues to keep all state parks open.
- **Maintaining our selective fisheries.** In my last e-mail I told you about [Senate Bill 5421](#), a bill I sponsored this year that creates the Columbia River Recreational Salmon and Steelhead Pilot Stamp Program to help the Department of Fish and Wildlife continue funding selective fisheries. This bill has now been signed by the governor and will go into effect July 26.
- **Department of Fish and Wildlife.** [House Bill 1778](#), which has been signed by the governor, addressed a variety of funding, structural and enforcement issues at the Department of Fish and Wildlife. Among the changes is the ability for the department to charge an additional transaction fee of no greater than 10 percent for recreational licenses, permits, tags, stamps or raffles, with proceeds going to the State Wildlife Account. The salmon steelhead stamp created under [Senate Bill 5421](#) (above) is exempt from the additional 10 percent surcharge.
- **Fish and Wildlife Commission.** Under [Senate Bill 5127](#) the Department of Fish and Wildlife director would be appointed by the governor rather than the Fish and Wildlife Commission; the number of commission members would be reduced from nine to five; the members would serve for three years rather than six; and it would have required a new round of appointments to the commission. This bill passed the Senate but died in the House (this measure was amended into House Bill 1778, but was removed because it didn’t fit within the title of the measure).

Issues related to elections

There were a number of issues related to elections this year, many of them controversial. Here are a couple that passed.

- **Special elections.** [Engrossed Substitute House Bill 1018](#) (and companion bill Senate Bill 5016) eliminates special elections held in March, changes the date of the February special election to the second Tuesday, allows May special elections in 2010 and 2011 only for

tax levies that failed previously in that calendar year and new bond issues, and eliminates the May special election date after 2011. It also removes the requirement that a special election be held on the same date of the presidential primary, and states that resolutions calling for a special election must be submitted to the county auditor 45 days prior to the special election date.

- **Restoration of felons' right to vote.** [House Bill 1517](#) restores the right to vote (provisionally) of a person convicted of a felony in Washington when he or she is no longer in the custody of the state Department of Corrections. It also restores the right to vote of individuals convicted of a felony in federal court of another state as long as he/she is no longer incarcerated. The bill was amended to say that the provisional right to vote may be revoked if the court finds a person has willfully failed to comply with the order to pay his/her legal financial obligations.

Other measures

- **Payday loans.** [Engrossed Substitute House Bill 1709](#), which passed the Legislature and is before the governor for her consideration, puts many restrictions on how citizens in Washington can interact with payday lenders. It restricts the number of loans a person can take out to eight in a 12-month period, limits the amount to \$700 or 30 percent of his/her monthly income, and specifies exactly how required installment plans will work. It also establishes a database to collect information about loans and provide information in real time when lenders are making decisions about additional loans.
- **Home warranty bill.** [Engrossed Second Substitute Senate Bill 5895](#) would have required new, tougher warranties for home builders, as well as things like certification for workers doing jobs like framing. Opponents of the bill believe it will drive up the cost of insurance for builders and increase the costs of homes, and that new homebuyers already have protection from shoddy work under state law. This measure narrowly passed the Senate with a vote count of 25 yeas and 24 nays, but died in the House.

In closing...

If you have any questions about the bills described in the e-mails I've sent over the past week, or anything else, please let me know. I am always happy to send more information.

You can expect to hear from me periodically during the interim, and again weekly when the Legislature convenes in 2010. Thank you again for your interest in the Legislature's activities. It is a pleasure to serve as your 12th District state senator.

All the best,

Linda

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